

Message Text

SECRET

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15

ACTION EA-09

INFO OCT-01 ISO-00 PM-04 MC-02 EB-07 COME-00 TRSE-00

NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00 L-03 /055 W

----- 027994

R 090400Z JAN 76

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 6539

INFO AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

SECDEF WASHDC

COMUSMACTHAI

CINCPAC HONOLULU

S E C R E T BANGKOK 0486

CINCPAC FOR POLAD

E.O. 11652: XGDS

TAGS: MARR, MASS, PFOR, EGEN, TH, US

SUBJ: MUNITIONS PRODUCTION IN THAILAND

REF: A) BANGKOK 26565 (DTG 220920Z DEC 75)

B) STATE 294243 (DTG 131108Z DEC 75)

1. U.S. MUNITIONS CONSORTIUM REPS A.J. DA MOTTA AND V.S. SAMAN CALLED AT EMBASSY JAN 6 TO BRING US UP TO DATE ON USMC'S TALKS WITH RTARF ON PROPOSED MUNITIONS PLANT. MAIN THRUST OF DISCUSSION WAS THAT H.E. LOAD-ASSEMBLY-PACKING PLANT (LAAP) PROMOTED BY USMC HAS BEEN RELEGATED TO LOWER PRIORITY, WHILE IMMEDIATE USMC INTEREST LIES IN SETTING UP PLANT TO ASSEMBLY ONLY ELECTRICALLY PRIMED 20MM AMMUNITION.

2. MR. SAMAN, WHO WAS NOT PREVIOUSLY KNOWN TO EMBASSY OFFICERS, INSISTED THAT HE IS PREPARED TO FINANCE THE \$1.1 MILLION IN MACHINERY HE BELIEVES NECESSARY TO EQUIP THE PROPOSED PLANT. SAMAN ALLEGED HE HAD DISCUSSED HIS PROPOSAL WITH

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DEFENSE MINISTER PRAMAN, FOREIGN MINISTER CHATCHAI, AND

RANKING OFFICIALS IN THE ROYAL THAI AIR FORCE AND MINISTRY OF DEFENSE. ALL, HE SAID, ARE PREPARED TO ENDORSE HIS PROPOSAL (OF WHICH DETAILS FOLLOW), PROVIDED HE CAN SECURE FROM USG ASSURANCES OF PERMANENT ACCESS TO SUPPLIES OF HIGH EXPLOSIVE POWDER AND METAL PARTS FROM U.S. FIRMS.

3. SAMAN'S PROPOSAL, IN BRIEF, IS THAT HE WILL BUILD AND EQUIP A PLANT AT DON MUANG WITH A CAPABILITY OF PRODUCING 2 MILLION ROUNDS OF 20 MM PER YEAR. THIS WOULD BE ENTIRELY AN ASSEMBLY OPERATION, WITH PERHAPS SOME MANUFACTURING OF PARTS TO BE UNDERTAKEN IN THE SECOND OR THIRD YEAR OF OPERATION. THE RTAF WOULD OWN THE PLANT, WITH USMC TO HAVE A FIVE-YEAR MANAGEMENT CONTRACT, TO INCLUDE A GUARANTEE THAT THE RTAF WOULD PURCHASE A SPECIFIED NUMBER OF ROUNDS EACH YEAR. USMC WOULD ALSO HAVE THE RIGHT TO EXPORT, AND MR. SAMAN MENTIONED SPECIFICALLY HIS DESIRE TO EXPORT TO THE PHILIPPINES, INDONESIA, SINGAPORE AND MALAYSIA.

4. EMBOFFS SUGGESTED THAT MR. SAMAN DESCRIBE HIS PROPOSAL IN A LETTER TO THE EMBASSY, AND REMINDED HIM, AS HE WAS ALREADY AWARE, THAT ANY PLAN TO IMPORT PARTS AND H.E. POWDER FROM THE UNITED STATES WOULD REQUIRE APPROVAL BY MUNITIONS CONTROL. MR. SAMAN AGREED TO SEND A LETTER AT AN EARLY DATE.

5. IT IS EVIDENT THAT MR. SAMAN IS FAMILIAR WITH WEAPONS SALES AND KNOWS HIS WAY AROUND THE UPPER REACHES OF THE RTG'S BUREAUCRACY AND ARMED FORCES. HE ALLEGES, AMONG OTHER THINGS, THAT HE WAS THE AGENT IN THE DEAL BY WHICH SINGAPORE ACQUIRED THE CONTRACT TO BUILD THE THREE MOTOR PATROL BOATS FOR THE THAI NAVY, AND HE IDENTIFIED HIMSELF TO AN AMERICAN SOME MONTHS AGO AS A FINANCIAL ADVISOR TO FOREIGN MINISTER CHATCHAI. ADMIRAL KAVEE SINGHA, CHAIRMAN OF THE COMMITTEE FOR STANDARDIZATION OF ARMAMENTS, CONFIRMED TO A JUSMAG OFFICER JAN. 6 THAT HIS COMMITTEE IS STUDYING SAMAN'S PROPOSAL. WE WILL TRY TO FIND OUT MORE ABOUT MR. SAMAN, AND WILL FORWARD HIS LETTER WHEN RECEIVED.

WHITEHOUSE

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Message Attributes

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